

**APPLICATION FOR PERMISSION TO CHANGE POINT OF
DIVERSION, MANNER OF USE AND PLACE OF USE OF THE
PUBLIC WATERS OF THE STATE OF NEVADA
HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office JUN 26 1998

Returned to applicant for correction _____

Corrected application filed _____

Map filed MAR 13 1997 under 62899T

The applicant **M-I L.L.C.**, hereby makes application for permission to change the **Point of Diversion** of water heretofore appropriated under **Permit #35972 or Certificate Record #10292**

1. The source of water is **underground**
2. The amount of water to be changed **0.189 c.f.s. not to exceed 1.597 million gallons annually**
3. The water to be used for **mining**
4. The water heretofore permitted for **mining**
5. The water is to be diverted at the following point **NE¼ NE¼ Section 26, T.28N., R.45E., M.D.B.&M., or at a point from which the SE corner of Section 36, T.28N., R.45E., M.D.B.&M., bears S. 31° 48' 56" E., a distance of 11204.0 feet. (Well "A" or Well #1).**
6. The existing permitted point of diversion is located within **SW¼ SE¼ Section 25, T.28N., R.45E., M.D.B.&M., or at a point from which the SE corner of Section 36, T.28N., R.45E., M.D.B.&M., bears S. 16° 36' E., a distance of 5936.0 feet. (Well #6).**
7. Proposed place of use **Section 25; E½ of Section 26; NE¼ of Section 35; N½ of Section 36; T.28N., R.45E., M.D.B.&M., lots 1, 2, 3, 4 and the SE¼ SW¼ of Section 30; lots 1, 2, and E½ NW¼ of Section 31, T.28N., R. 46E., M.D.B.&M.**
8. Existing place of use **is within Section 25; E½ of Section 26; NE¼ of Section 35; N½ of Section 36; T.28N., R.45E., M.D.B.&M., lots 1, 2, 3, 4 and the SE¼ SW¼ of Section 30; lots 1, 2 and E½ NW¼ of Section 31, T.28N., R.46E., M.D.B.&M.**
9. Use will be from **January 1st to December 31st** of each year.
10. Use was permitted from **January 1st to December 31st** of each year.
11. Description of proposed works **Water is developed in the well, thence conveyed by a pipeline to a reservoir within the NE¼ of Section 26, T.28N., R.45E., M.D.B.&M., where it is used for mining purposes.**
12. Estimated cost of works **\$15,000.00**
13. Estimated time required to construct works **1 year**
14. Estimated time required to complete the application of water to beneficial use **2 years**
15. Remarks: **This application seeks the permanent transfer of Permit No. 35972, Certificate No. 10292 that is the subject of Permit No. 62899T approved July 18, 1997. The well was drilled by Humboldt Drilling and Pump Co., on or about August 14, 1997. M-I L.L.C. is**

the successor to Dresser Minerals. Map filed under temporary application.

By George N. Benesch
s/George Benesch
P.O. Box 3498
Reno, Nevada 89505-3498

Compared bk/cms ds/cmf

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion of the waters of an underground source as heretofore granted under Permit 35972, Certificate 10292 is issued subject to the terms and conditions imposed in said Permit 35972, Certificate 10292 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the Proof of Completion of Work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 26872, Certificate 8431; 29694, Certificate 9087; 35814, Certificate 10284; and Permits 64260, 64261, and 64262 shall not exceed 350 million gallons annually.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.189 cubic feet per second, but not to exceed 1.597 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

April 9, 2002

Proof of completion of work shall be filed before:

May 9, 2002

Water must be placed to beneficial use on or before:

April 9, 2004

Proof of the application of water to beneficial use shall be filed on or before:

May 9, 2004

Map in support of proof of beneficial use shall be filed on or before:

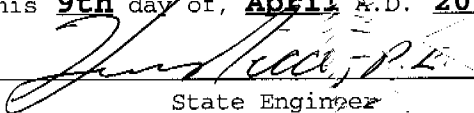
N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 9th day of, April A.D. 2001


State Engineer

Completion of work filed JUL 23 2001

Proof of beneficial use filed _____

Cultural map filed N/A

Certificate No. _____ Issued _____

